

**Department of
Veterans Affairs**

FEB 27 1995

Memorandum

Date

Deputy Assistant Secretary for Acquisition and Materiel Management (95A)

From:

Class Deviation from Department of Veterans Affairs Acquisition Regulation (VAAR)

Subj:

Deputy Secretary (001)

THRU: Assistant Secretary for Management (004)

J.D.

1. In accordance with VAAR 801.404, Class deviations, your approval is requested to deviate from VAAR 801.602-70, Legal/technical review requirements to be met prior to contract execution. This request is made to streamline the review and contracting process for the Department.

2. This deviation is requested to increase the review thresholds for the contract actions as indicated below:

a. Negotiated and sealed bid solicitations which exceed \$500,000 (inclusive of options). This category includes insurance, management and professional services, research, research and development, automatic data processing (ADP) equipment, ADP software (excluding licensing agreements), and step one of two-step sealed bid procurements;

b. Fixed-price, sealed bid construction contracts which exceed \$1 million;

c. Contracts for advisory and assistance services which exceed \$250,000;

d. Proposed letter contracts and ensuing formal contracts which exceed \$25,000
Additional increase(s) in letter contract value require review and approval;

e. Non-Federal Supply Schedule consignment agreements which exceed \$250,000; and

f. Business clearance reviews for service contracts, including Architect-Engineer, which exceed \$5 million.

3. Additionally, this class deviation will require the legal/technical review of all contract terminations, final decisions, cure letters, show cause notices, disputes, and claims regardless of dollar value. It will also allow all technical reviews (including business clearances) required by the VA National Acquisition Center to be performed by the Acquisition Review Division (95C) located in Hines, Illinois.

4. The VAAR currently requires that the Office of Acquisition and Materiel Management (OA&MM), Acquisition Review Division, and the Office of the General Counsel review certain contract related documents for technical and legal sufficiency prior to execution. However, the necessity for some of the review requirements has diminished, as VA's contracting work force has become more professionalized. In addition, through a variety of mechanisms such as the

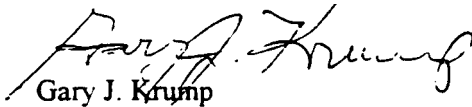
2.

Deputy Secretary (001)

Acquisition Training Program, monthly conference calls, and acquisition policy guidance in the form of directives and information letters, we will ensure the Government's interests are maintained. Furthermore, and consistent with this administration's objective of streamlining the bureaucracy and empowerment, the increase or elimination of many of the review requirements stated in VAAR 801.602-70 will relieve VA's contracting officers from delays in contracting that are related to the review process.

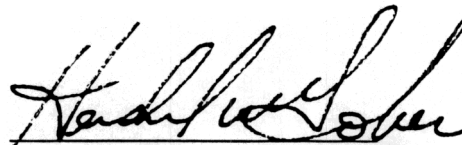
5. The attached Briefing Paper and the rationale for the elimination or increase of the VA Central Office review thresholds stated in VAAR 801.602-70 are consistent with the objectives of OA&MM's "VAAR Improvement Project" and Executive Order 12931, Federal Procurement Reform.

6. Your favorable consideration of this request will be appreciated.


Gary J. Krump

Attachment

APPROVED/DISAPPROVED:



Hershel W. Gober
Deputy Secretary

MAR 10 1995

Date